DIVISION OF SOIL CONSERVATION PROPOSED FY-03 FUNDING

Maintain Current General Funding • Operations (including Commissioner expense (1M) \$268,376) Total		\$6,943,500 \$6,943,500
Maintain Current Infrastructure Funding		
• Cost Share		97 500 000
Buffer Initiative		\$7,500,000
Conservation Reserve Enhancement Program		\$1,500,000 \$1,500,000
Integrated Farm & Livestock Management Demonstration Program	oram	\$850,000
Watershed Protection Program	5	\$2,700,000
Ag Drainage Well Closure Assistance Program		\$1,000,000
Soil and Water Enhancement Account/REAP (est.)		
Total		\$2,000,000 \$17,050,000
*		\$17,050,000
Total to Maintain Current Funding	••••••	\$23,993,500
FY-03 Decision Packages - New Infrastructure Funding/Aut		
Soil Survey Funding Reauthorization Additional Soil Congeniation Cost Share	•••••••	\$200,000
Additional Soil Conservation Cost Share Authorization to use 10% of Cost Share for diag for any angular income.		\$2,500,000
 Authorization to use 10% of Cost-Share funding for program im Field Office Technicians (13) for: 		
grazing technicians for pasture/paddock management	364,000	
—grazing technicians for pasture paddock management —wetland technicians for CREP/pilot wetlands programs	•	
—livestock technicians for nutrient management systems		
—soil and water technicians for practice design/application		
·		
IFIP Program Manager	48,000	
Field Representative	48,000	
Equipment, training, travel, supplies	<u>30,000</u>	
	126,000	
Commissioner and SWCD Operations	250,000	
Urban Conservation Specialists (5)	180,000	
Urban Conservation Program Manager	48,000	
Equipment, training, travel, supplies	32,000	
- · · · ·	260,000	
• Authorization to use 2% of Watershed Program funding for program implementation:		
Watershed Contracting Officer	44,000	
Equipment, training, travel, supplies	<u>10,000</u>	
	54,000	
Total New Askings	••••••	\$2,700,000



Program Resources and Implementation

Proposed FY-2003:

Authorize 10% of State Soil Conservation Cost Share and 2% Iowa Watershed Protection Program for Program Implementation

"It is hereby declared to be the policy of the legislature to integrate the conservation of soil and water resources into the production of agricultural commodities to insure the long-term protection of the soil and water resources of the state of lowa, and to encourage the development of farm management and agricultural practices that are consistent with the capability to sustain agriculture...."

Iowa Code section 161A.2, "Declaration of Policy"

State, federal, and local conservation partners in Iowa have a long-standing relationship working together to carry out soil and water conservation programs. These programs are not just terraces or waterways, they are conservation systems on the land comprised of various components that work together to lessen environmental impact and enhance agricultural productivity.

While programs and systems are needed to protect the landscape, it ultimately takes people to identify needs, develop conservation plans, and implement measures on the land. In a local soil and water conservation district (SWCD), five elected commissioners set policy for conservation programs, approve cost-share applications, and provide leadership for other locally-led and initiated conservation efforts. Iowa's 500 commissioners volunteer an estimated 450,000 hours each year to the protection of the state's soil and water resources.

Staff assigned to each SWCD work with cooperators and landowners, layout and stake practices, oversee construction, and process requests for payment on completed measures. New technologies and information systems are being utilized to better address and meet program needs and requirements.

Private landowners are the ultimate customers who seek assistance from the district to design and install conservation systems. As "district cooperators," these landowners interact with SWCDs on a regular basis, seeking information about state and federal program offerings, and working to develop long-range conservation plans and resource management systems for their farming operations.

While concern for environmental issues has increased and the demand for assistance to landowners has grown, staffing assistance provided through state-funded programs has not kept pace. This year, for the first time in the history of the program, the Department is seeking authorization to utilize up to 10% of cost-share funding to offset the costs of program implementation and administration. That authorization, in addition to currently funded positions, would allow the Division of Soil Conservation to:

- add 13 new field office technicians to assist with implementation of conservation systems and practices.
- add a program manager for cost-share, and an additional field representative to work with soil and water conservation districts.
- provide additional funding for SWCD commissioner expense requested a year ago, and restore funding cuts made in 2001.
- provide specialized program assistance in urbanizing areas to relieve competition for existing field staff.

The Department is also seeking authorization of 2% of watershed program infrastructure funding to:

• establish a contracting specialist position to assist SWCDs when project measures require competitive bidding.



Photo Courtesy of USDA-NRCS

Action Needed:

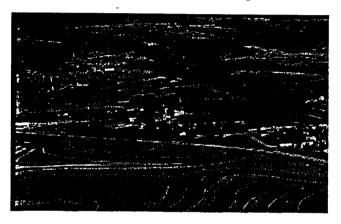
- Authorize 10% of Cost-Share funding for program implementation and staffing.
- Authorize 2% of Watershed Protection Program funding for establishment of a contracting officer to assist soil and water conservation districts.
- Restore funding for SWCD commissioner expense.



State Soil Conservation Cost Share

Proposed FY-2003: Increase Current Funding .. \$7,500,000 to \$10,000,000

The protection of our land is a collective responsibility. What affects the land affects the public – this single principle underlies the Iowa Cost-Share Program, a unique program through which State funds are made available to landowners to pay a portion of approved permanent soil and water conservation practices.

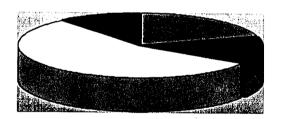


The Division of Soil Conservation has received state appropriations for conservation cost sharing since 1973. This appropriation is the cornerstone of soil and water conservation practice application in Iowa and evidence of the program's effectiveness can be seen across the landscape in terraces, waterways, erosion control structures and other conservation practice applications. Funding for the program from its inception through FY-02 exceeds \$173 million.

Funds utilized through this program are matched 50:50 by landowners, spent locally to hire private construction contractors, and reinvested by those contractors in local communities. Local jobs and businesses are supported by these funds, in addition to the principal benefits of soil conservation and water quality protection.

The installation of soil and water conservation practices provides permanent protection of the Iowa's soil resources and water quality. Public benefits of clean water for drinking and recreation warrant public investment in conservation practice installation.

In 2001, nearly 2,500 landowners installed practices protecting more than 27,000 acres with terraces, waterways, structures, basins and other measures. Yet, demand for cost share assistance continues to exceed appropriated funds. FY-2002 funding has been allocated to districts, leaving more than \$3,000,000 in requests that could not be met.



- Grade Stabilization Structures
- □ Terraces
- Other

Grassed Waterways
Water & Sediment Basins

Current base funding for state cost share assistance is \$7,500,000. Budget askings for FY-2003 are to increase cost-share funds by \$2,500,000, and to seek authorization to use \$1,000,000 of the total appropriation to maintain technical and administrative support. Funding would come from the Reinvest in Iowa Infrastructure Fund.



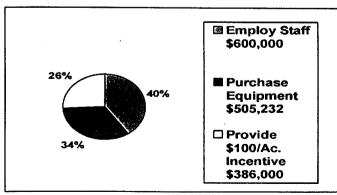
Buffer Initiative

Proposed FY-2003:
Maintain Current Funding\$1,500,000

Program Description: The Iowa Buffer Initiative provides \$1.5 million to accelerate implementation of the continuous sign-up Conservation Reserve Program (CRP) through soil and water conservation district field offices. Through the CRP program, farmers receive average annual rental payments of \$95/acre from United States Department of Agriculture (USDA) to establish riparian buffers, grassed waterways, contour buffer strips, field borders and other buffers on private farmlands. Iowa is first in the nationwide ranking in acres enrolled, with 204,374 acres from September 1996 through June 2000.

Program Need: Conservation buffers adjacent to streams and strategically located in crop fields can reduce soil erosion, improve water quality, and stabilize streambanks. Erosion can be reduced by more than 50 percent. Shallow, subsurface water movement into streams can be improved through the removal of nitrates and some agricultural chemicals. Buffers also provide excellent wildlife habitat and increase landscape biodiversity. Fish habitat is improved by providing more diversity in the food chain and reducing sediment deposition.

FY-01 SUMMARY



What Has Been Done: The Division of Soil Conservation met with cooperating agencies and organizations to discuss their interest in the program. The overwhelming priority of the group was to market and assist landowners with options available through the continuous sign-up CRP. As a result of the input of the partner group, soil and water conservation districts have employed additional staff that could set down with a landowner at the kitchen table or in the shop or barn to explain the benefits of the continuous sign-up CRP and associated incentives and costs.

Concerns were expressed that many landowners either do not have a needed piece of equipment or service providers are not available. Districts have been authorized to purchase the equipment necessary to apply the practices.

The USDA is providing sign-up incentives for all of the continuous sign-up CRP practices except Contour Buffer Strips, Contour Buffer Strips on Terraces, Shallow Water Areas for Wildlife, and Cross Wind Trap Strips. The partner group believed that these practices are also important for erosion control and water quality; therefore, the same \$100 sign-up incentives have been made available through the Buffer Initiative for these practices.

CONCLUSIONS

- Maintaining the annual state investment of \$1,500,000 for the Buffer Initiative will bring an additional \$14,400,000 of federal dollars to the state of Iowa over the next 10 years.
- The Buffer Initiative has increased CRP sign-up by nearly 28 percent.



Conservation Reserve Enhancement Program

Proposed FY-2003:
Maintain Current Funding \$1,500,000

The Iowa Conservation Reserve Enhancement Program (CREP) is a major state/federal initiative to develop wetlands which are strategically located and designed to remove nitrate from tile-drainage water from cropland areas. The program is being implemented in cooperation with USDA Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) to provide \$38 million in funding over the next three years to construct and restore up to 9000 acres of wetlands and buffers. The Iowa CREP is targeted to continue for at least ten years, pending federal reauthorization of the Conservation Reserve Program.



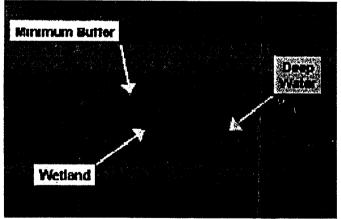
Photo Courtesy of USDA-NRCS

Financial incentives are provided to private landowners to develop and restore wetlands that intercept tile drainage from agricultural watersheds. Landowners receive annual land payments over 15 years and reimbursements for costs of wetland and buffer establishment. Easements to maintain the wetlands and buffers are required for a minimum of 15 years beyond the CREP payments, for a total of 30 years. Additional one-time, upfront incentive payments are used to encourage participating landowners to enter into perpetual easements.

Research at Iowa State University has confirmed that strategically-located and designed wetlands under the program requirements will remove 40-90% of the nitrate and 90+% of the herbicide in tile drainage water from upper-lying croplands.

The Iowa CREP is available in the thirty-seven counties in the tile-drained region of North Central Iowa and will specifically target the North Raccoon River Watershed. This watershed is noted for some of the highest nitrate loads in the Mississippi River Basin. Over the next decade, the Iowa CREP could develop wetlands in the program area with the capacity for removing over 5000 tons of nitrate-nitrogen annually. In addition to reducing nitrate loads to surface waters, the wetlands will provide wildlife habitat and increased recreational opportunities.

Advanced computer techniques utilizing geographical information systems (GIS) have been developed in cooperation with Iowa State University to assist in siting CREP wetlands and assure program requirements can be met without interfering with the drainage rights of nearby lands. Through these techniques, a total of thirty potential wetland sites have been identified to date, and landowner contacts as well as wetland designs are underway through the soil and water conservation district field offices.



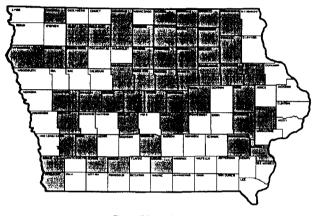
GIS Conceptual Wetland Design

State appropriations to the Iowa CREP are leveraged at a 4:1 federal/state ratio. An appropriation of \$1.5 million is being requested from the Reinvest in Iowa Infrastructure Fund to maintain the current funding level for fiscal year 2003.



Integrated Farm and Livestock Management Demonstration Program

"Input management" is a key element in balancing agricultural production and environmental protection. The Integrated Farm and Livestock Management (IFLM) Demonstration Program provides a great opportunity to improve agricultural input management.



Crop Year 2001

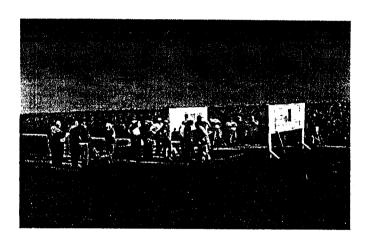
The IFLM program provides funding to demonstrate the effectiveness and adaptability of emerging agricultural systems for nutrient and pesticide management, air quality protection and soil and water conservation. Agricultural inputs of tillage, fertility, and pest management can be managed to optimize production and minimize potential impacts of sediment, nutrients and pesticides on the state's soil and water resources.

In crop year 2001, more than 150 farm operators voluntarily participated in the program, which concentrates on management techniques in livestock and crop production systems. The sites are also being used to evaluate the economic costs and benefits of the demonstrated practices. This information will become an important component of field days and project reporting.

Public information dissemination will be a principal element of this demonstration program to achieve

technology transfer objectives. The efforts of these projects are being demonstrated to a statewide audience and information gained will be widely disseminated to producers, agribusiness, educators, researchers, and private and governmental agencies.

This program is a valuable link between sound research and actual in-field application, implemented in cooperation with soil and water conservation districts, Agribusiness Association of Iowa, Iowa Soybean Association, Iowa State University, Kirkwood Community College, and the USDA National Soil Tith Laboratory and Natural Resources Conservation Service. In addition, these unique partnerships expand the financial and education resources available to Iowa producers to address increasing environmental concerns.



The State's continued commitment to this program can benefit Iowa's agricultural industry both economically and environmentally. The IFLM Program will help Iowa to:

- improve the environment and the quality of life for all Iowans
- sustain the state's economic base
- retain its place as a leading commodity and livestock producer



Iowa Watershed Protection Program

Proposed FY-2003:
Maintain Current Funding \$2,700,000

Background: Enacted in 1999, the Iowa Watershed Protection Program provides technical and financial assistance for the development of local watershed initiatives.



Photo Courtesy of USDA-NRCS

Statewide, 52 watershed protection projects have been developed and are in various stages of completion to reduce soil erosion, protect water quality, provide flood control, and protect other natural resources. These projects are accelerating protection efforts with cooperation from local, state, and federal partners.

Present: Accurate problem identification is essential to achieving desirable resource management objectives. New technologies continue to improve the data collection and evaluation processes for multi-objective watershed projects.

Watershed Protection Development Grants awarded to districts help local leaders inventory, assess, and develop implementation strategies for watershed management. The result is more efficient and productive expenditure of program funds.

Demand for funds to implement watershed projects across Iowa remains strong. Thirty-eight applications were received during the first year of the program. More than 50 applications were received in the second and again in the third year of the program. Twenty-eight projects in 32 counties were funded in FY-02.

Future: The watershed approach will continue to be the most comprehensive, efficient and effective method of resource management. New challenges are likely to emerge as watershed planning is continually refined, improved, and implemented long-term.

An immediate challenge facing local leaders is the process of public bidding required by legislation for public improvement projects that exceed the \$25,000 threshold. Soil and water conservation districts need assistance with public bidding and contracting to ensure that projects comply with the required procedures.

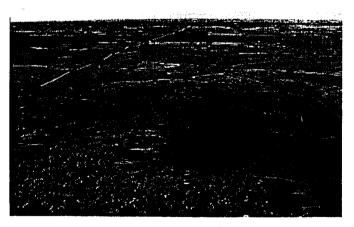


Photo Courtesy of USDA-NRCS

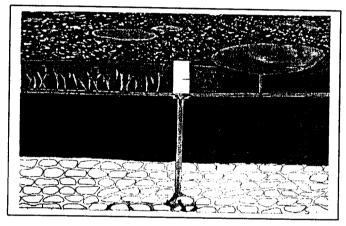
Action Needed:

- Maintain current funding level at \$2,700,000 from the Reinvest in Iowa Infrastucture Fund
- Authorize 2% of the funds to establish a Watershed Contracting Specialist



Agricultural Drainage Well Closure Assistance Program

Agricultural drainage wells were constructed in Iowa in the early 1900s to provide outlets for surface runoff and tile drainage water from cropland areas. Because agricultural drainage wells discharge the water directly to groundwater aquifers, they are potential routes for movement of contaminants to underground drinking water supplies.



Typical Agricultural Drainage Well Installation

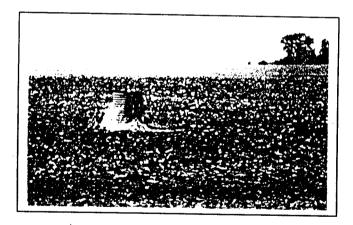
The Agricultural Drainage Wells Alternative Drainage System Assistance Program was established by 1997 legislation. This legislation mandated the closure of certain wells in close proximity to earthen animal waste storages to protect drinking water supplies.

The program provides financial assistance to protect groundwater aquifers by closing high priority agricultural drainage wells and developing alternative drainage outlets to surface streams that are needed to replace the wells. The alternative drainage outlets are typically developed through formation of drainage districts, although some outlets can be developed by individual landowners.

Closure of 66 wells and construction of alternative outlets have now been completed under state cost-share from the

fund at an estimated total project cost of \$5.2 million. These projects include Pocahontas Drainage District 176, and Wright County Drainage Districts 230, 231, and 232. The Wright County projects included the wells that were mandated to be closed by December 31, 2001. The environmental risk to drinking water supplies associated with the wells in close proximity to earthen animal waste storages has now been eliminated.

High-priority projects to close an additional 22 wells have received funding commitments and are currently in various stages of design and development. These projects were selected under the priority criteria of the legislation from applications received from agricultural drainage well-use areas statewide.



Agricultural Drainage Well Site

Continuation of funding to the assistance program is requested to continue the effort to close high priority agricultural drainage wells. An appropriation of \$1,000,000 is being requested from the Reinvest in Iowa Infrastructure Fund to maintain the current funding level for fiscal year 2003.

Iowa Department of Agriculture and Land Stewardship Division of Soil Conservation (515) 281-5851 www.agriculture.state.ia.us



Cooperative Soil Survey Program

Proposed FY-2003: Reauthorize Funding

.\$200,000

After 34 years of partnering in the Iowa Cooperative Soil Survey program, the state legislature eliminated state program funding in FY-02.

The Cooperative Soil Survey is a nationwide partnership of federal, regional, state, local, agencies and institutions. Its principal goal is the development, maintenance and application of reliable soil resource information. The value of soil survey information is especially important as we deal with issues such as surface and groundwater quality, crop production efficiency and farm profitability, soil and water conservation, and urban and suburban development. It is the foundation for all land use planning decisions and is required by state law to determine land value and taxation. Current soil survey activities include:

- Systematic update of the state's oldest soil surveys to raise their quality to current standards of scale, correlation, and interpretation
- Digitization of soil surveys to facilitate their application to current computer technologies
- Technical services applying soil survey information to practical problems of land resource utilization



- Outreach programs to provide soil survey training to local units of government and private vendors to encourage broader utilization of soils information
- Public awareness programs to familiarize individuals with information available from the soil survey
- Support for private sector initiatives such as the Certified Crop Advisor program

The Natural Resources Conservation Service, Iowa State University Cooperative Extension Service, Iowa Agriculture and Home Economics Experiment Station at Iowa State University and counties continue to partner in supporting the Iowa Cooperative Soil Survey Program. In the past, the Division of Soil Conservation has agreed to match county contributions.

Loss of state funding has placed a financial on burden on the other partners and may result in increased cost to counties. There are eight counties in Iowa that are trying to utilize soil surveys that are over 50 years old, and these surveys do not provide adequate information to meet today's land use needs.

Soils information is the cornerstone element with which to address the resource utilization issues of today and tomorrow. Unfortunately, the cost of not having accurate soils information is difficult to measure in terms of sedimentation, impaired water quality, declining soil productivity, poor air quality, building and construction hazards, etc.



The State of Iowa needs to accept its responsibility for this program.

Budget askings for FY-2003 are to reauthorize the soil survey program at its previous funding level from the Reinvest in Iowa Infrastructure Fund.

Iowa Department of Agriculture and Land Stewardship Division of Soil Conservation (515) 281-5851 www.agriculture.state.ia.us



Soil and Water Enhancement Account

Proposed FY-2003:
Maintain Current Funding \$2,000,000 (est)

Each year 20 percent of Resource Enhancement and Protection (REAP) funds are deposited in the Soil and Water Enhancement Account, to be allocated equally between Water Quality Protection Practices and Projects.



Water Quality Protection Practices

Practice funds are provided directly to soil and water conservation districts for the principal objective of protecting water quality in Iowa by targeting and preventing off-site sediment, nutrient and livestock waste pollution problems. This program complements the State Soil Conservation Cost Share program's objectives to control soil erosion and protect land productivity.

Twenty-five percent of the Practice funds are used to support the establishment of trees and native vegetation for land resource enhancement and water quality protection. The remaining 75% can be used in the following ways:

- Land use conversion practices convert row crops to permanent vegetation for buffer establishment, stream bank stabilization, or other permanent cover applications
- Traditional erosion control practices where those practices are installed to protect high priority public water resources.
- Livestock waste management systems for water resource protection

Water Quality Protection Projects

Projects protect the state's surface and groundwater resources from point and non-point sources of contamination. They are developed through a locally-led process initiated by soil and water conservation districts, coordinating the resources and programs of a variety of agencies and organizations to achieve local objectives. Applications consider the importance of the resource to be protected, the nature and extent of the water quality problem, proposed solutions, landowner interest, and the overall cost effectiveness of the project.

Water quality protection projects commonly use the watershed approach to address water quality problems. It provides the most comprehensive, efficient and effective way to achieve soil and water quality protection objectives. Successful projects usually have a high level of community support and include strong public information and education programs.



Funding

Since 1990, the Division of Soil Conservation has received state appropriations from the Soil and Water Enhancement Account totaling more than \$28 million. Through partnering with the Iowa Department of Natural Resources, an additionional \$14,483,313 of federal funds have been committed to projects with water quality issues. Budget askings for FY-2003 are to maintain the current funding level from the Reinvest in Iowa Infrastructure Fund.

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